BUY Stovekraft

Robust 1Q with strong comeback across segments

Consumer Durables ▸ Result Update ▸ **August 04, 2026**

CMP (Rs): 756 | TP (Rs): 1,000

Stovekraft (SKL) posted robust results despite 1Q being a seasonally weak quarter, with revenue up 41% yoy, led by 324% yoy growth in induction cooktops (ICT). Ex-ICT, revenue grew a healthy 12% yoy, with growth in small domestic appliances constrained by temporary capacity diversion to meet the robust ICT demand. EBITDA rose 34% yoy, while EBITDAM expanded by ~100bps qoq to 10.2% on the ~100bps qoq improvement in gross margin. SKL remains constructive on the FY27 outlook (guidance: ~15-20% growth in the medium term; ~100bps yoy margin improvement in FY27), citing strong festive season demand across 2Q/3Q, sustained momentum in induction cooktops (FY27 revenue expected at 2x yoy), multiple product launches, recovery in exports (~14-15% in 2Y vs 11% in FY26), and ramp-up of the IKEA business (potential to contribute ~5-6% of revenue). We remain positive on SKL as we believe its heavy Rs5bn capex cycle (FY22-26) is now largely behind, while existing capacities can support revenue growth with limited incremental capex (refer to Electrical appliances-led secular growth revival underway). Factoring in the strong 1Q performance and positive festive outlook (on growth/margin), we increase FY27E/28E EPS by ~9/5% and raise TP by ~11% to Rs1,000 from Rs900, basis 30x Jun-28E EPS (rolled forward); maintain BUY.

Strong print despite 1Q being a seasonally weak quarter

Revenue grew 41% yoy on robust growth across segments, ex gas cooktops and small domestic appliances. EBITDA was up 34% yoy, but EBITDAM was up by 100bps qoq to 10.2% due to a 100bps qoq GM expansion. Adjusted PAT grew ~64% to Rs171mn.

Earnings call KTAs

1) 1Q stronger than expected this time around, despite it being a seasonally weak quarter for SKL owing to strong execution across products (especially induction cooktops; up 324% yoy), expanding distribution network, and operating leverage benefits. 2) On induction cooktops, SKL believes demand is well above pre-war levels; expects FY27 revenue to double yoy. 3) SKL is optimistic about demand in 2Q/3Q, (historically strongest quarters) due to festive season (well spread across both quarters this time); it believes ~15-20% mid-term revenue CAGR is achievable. 4) SKL plans multiple new product launches across cookware, induction cooktops, and small appliances during FY27, providing an additional growth lever. 5) FY26 export disruptions are now behind, and management expects exports to ramp up to ~14-15% over the next 2Y (vs 11% in FY26). 6) IKEA supplies commenced from 2QFY27, and SKL believes IKEA alone could contribute ~5-6% of overall revenue over time. Apart from IKEA, management is actively exploring opportunities with large global retailers (a major retailer in the UK). 7) SKL expects EBITDA margin to improve by ~100 bps in FY27, aided by better gross margin, operating leverage, richer product mix, and cost optimization. 8) Rise in working capital was due to planned inventory build-up ahead of the festive season (mainly induction cooktops) that has longer procurement lead times. 9) South contributes ~50% of SKL's revenue; however, growth is faster in rest of India, particularly through GT expansion.

Target Price – 12M	Jun-27
Change in TP (%)	**11.1**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	32.3

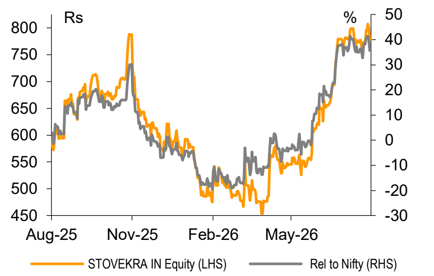
Stock Data	STOVEKRA IN
52-week High (Rs)	828
52-week Low (Rs)	446
Shares outstanding (mn)	33.1
Market-cap (Rs bn)	25
Market-cap (USD mn)	262
Net-debt, FY27E (Rs mn)	(37.8)
ADTV-3M (mn shares)	0.3
ADTV-3M (Rs mn)	148.8
ADTV-3M (USD mn)	1.6
Free float (%)	44.1
Nifty-50	24,614.9
INR/USD	95.4

Shareholding,Jun-26	
Promoters (%)	55.8
FPIs/MFs (%)	1.2/7.1

Price Performance

(%)	1M	3M	12M
Absolute	(3.3)	35.5	26.4
Rel. to Nifty	(4.7)	32.8	26.9

1-Year share price trend (Rs)



Stovekraft: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	14,498	16,074	19,430	22,445	25,903
EBITDA	1,542	1,675	2,098	2,604	3,031
Adj. PAT	385	420	678	1,031	1,273
Adj. EPS (Rs)	11.6	12.7	20.5	31.1	38.5
EBITDA margin (%)	10.6	10.4	10.8	11.6	11.7
EBITDA growth (%)	20.2	8.6	25.3	24.1	16.4
Adj. EPS growth (%)	12.9	9.1	61.4	51.8	23.6
RoE (%)	8.5	8.6	12.7	17.0	17.9
RoIC (%)	11.3	13.1	16.7	20.7	25.0
P/E (x)	64.9	59.5	36.9	24.3	19.7
EV/EBITDA (x)	17.3	14.7	11.9	9.3	7.6
P/B (x)	5.3	5.0	4.5	3.8	3.3
FCFF yield (%)	1.8	6.1	1.3	5.9	7.2

Source: Company, Emkay Research

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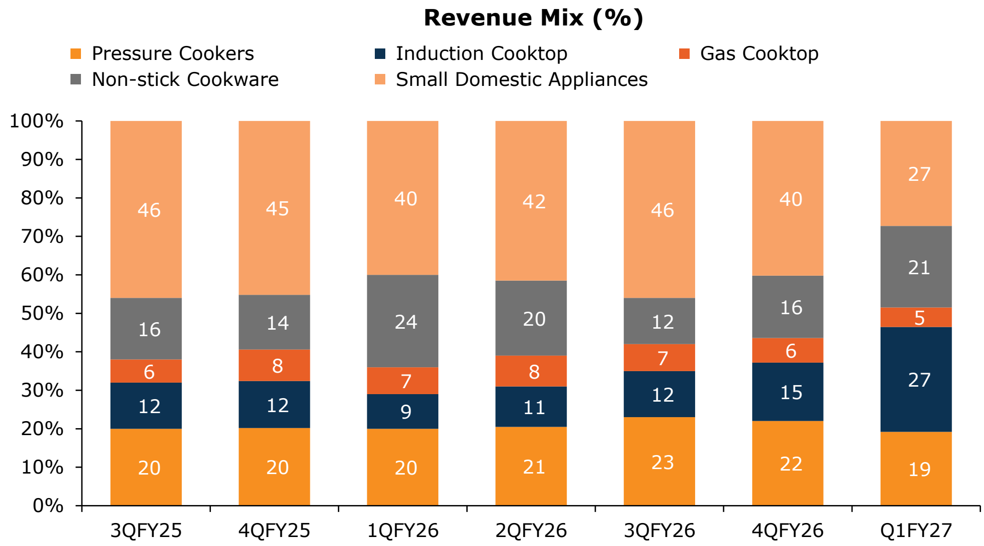
Exhibit 1: Revenue mix shifted sharply toward induction cooktops in 1Q (now 27% vs 15% in 4QFY26)



Source: Company, Emkay Research

Exhibit 2: SKL has 346 operational retail Pigeon stores, as of 1QFY27

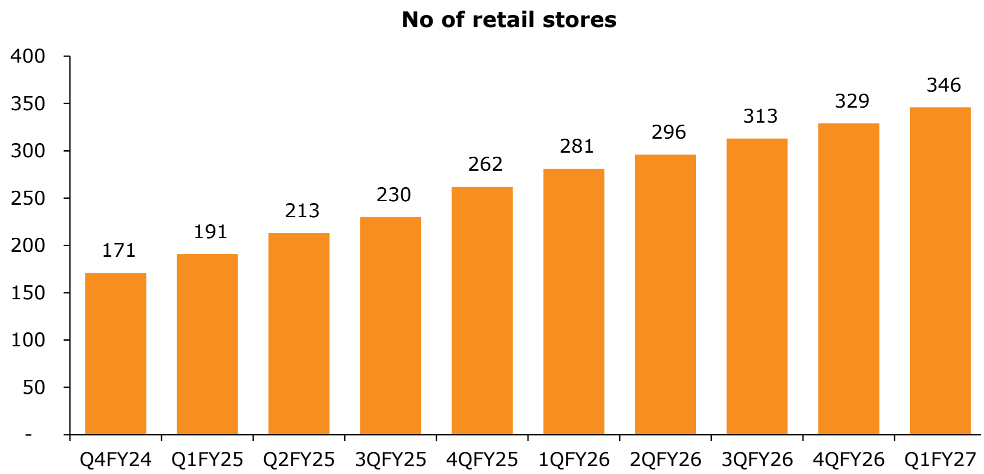
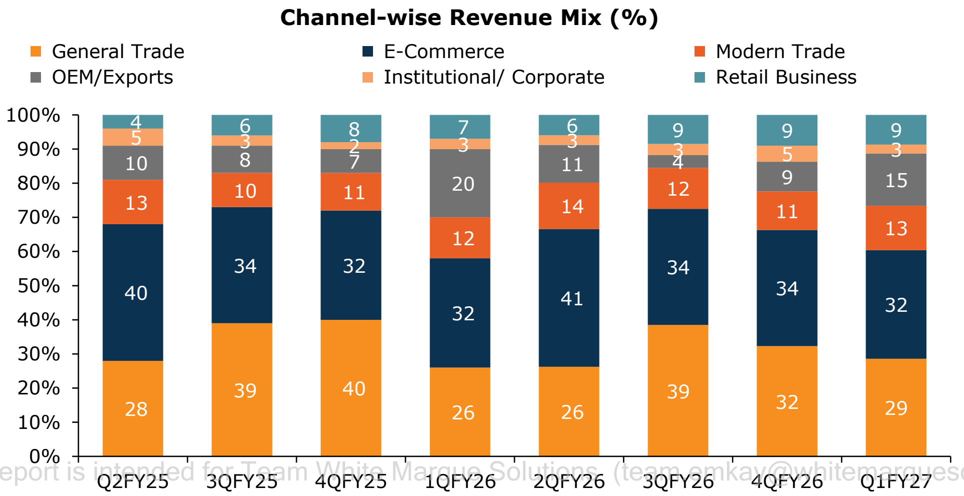


Exhibit 3: Share of exports improves further to ~15% in 1QFY27; e-commerce sustains >30% share

Source: Company, Emkay Research



Source: Company, Emkay Research

Exhibit 4: GoI is undertaking several measures to promote and incentivize wider adoption of induction cooktops

Commentary	Who said it	Source
"We are seeing sustained demand. ***People are clearly looking for alternatives because of uncertainty around gas supplies****...The idea is to* ***build local capability gradually****. If demand remains at these levels, domestic manufacturing will have to scale up…We have enough electricity available to support a shift.* ***Even if there is stress in the gas supply, power availability is not a concern. That is why we are encouraging greater use of electricity and induction cooking****."*	*A government official during a media interview*	Link
*"T****he government is looking to shift large commercial LPG users to electric cooking, while assessing the impact on power consumption to ensure the transition is sustainable****...Even the demand for domestic induction cooktops has risen sharply by 2-3 times in the past one month prompting DPIIT to earlier push manufacturers to expand capacity and develop a local component ecosystem."*	*Industry executive during a meeting with DPIIT*	Link
"India's small appliances ***manufacturing ecosystem*** *such as induction cooktop remains* ***fragile*** *but is* ***working towards building scale and making the country a production hub..."***	*Pankaj Mohindroo, Chairman, ICEA*	Link
"The NECP, spearheaded by Energy Efficient Services Limited (EESL) under the Ministry of Power, is aimed at revolutionizing cooking practices by facilitating the adoption of electric cooking devices in India...The cost advantage of 25-30% under the program over traditional methods is expected to make electric cooking more accessible and appealing to households, particularly in rural areas...Through these efforts, NECP will not only ***transform cooking practices but will also contribute to achieving sustainable goals by reducing reliance on fossil fuels and mitigating the environmental impact of traditional cooking methods."***	*National Efficient Cooking Programme (NCEP)*	Link
"It has been communicated that this is a pilot tender and more are expected to follow. ***The government wants industry to prepare for significantly higher demand as it may itself procure several lakh units****. Initial estimates suggest the number could eventually rise to 6-8 million units."*	*CEO of an electronics manufacturing company during ET interview*	Link
"Government is also ***working on dual-pronged tax cuts*** *on induction cooktops to make electric cooking more affordable. It is also considering* ***lowering customs duties on key components*** *used in induction cooktops* ***to ease input cost pressures for local manufacturers and boost production."***	Pradhan Mantri Ujjwala Yojana	Link

Source: Media Articles, PIB, Emkay Research

Exhibit 5: 1QFY27 segmental performance – Induction cooktops saw a massive growth spike in 1Q (up 324% yoy)

Segmental revenue (Rs mn)	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Pressure Cookers	**820**	**846**	**660**	**920**	**808**	**632**	**680**	**973**	**870**	**912**	**913**	34.2	0.1
Growth yoy (%)	*9*	*19*	*10*	*5*	*(1)*	*(25)*	*3*	*6*	*8*	*44*	*34*		
LED	**159**	**65**	**94**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
Growth yoy (%)	*(25)*	*(43)*	*(44)*	*(100)*	*(100)*	*(100)*	*(100)*						
Induction Cooktop	**642**	**423**	**252**	**502**	**485**	**382**	**306**	**498**	**454**	**630**	**1,298**	323.9	105.9
Growth yoy (%)	*44*	*33*	*(1)*	*10*	*(24)*	*(10)*	*22*	*(1)*	*(6)*	*65*	*324*		
Gas Cooktop	**343**	**228**	**220**	**335**	**242**	**257**	**238**	**380**	**265**	**265**	**240**	0.9	(9.4)
Growth yoy (%)	*30*	*(15)*	*1*	*10*	*(29)*	*13*	*8*	*13*	*9*	*3*	*1*		
Non-stick Cookware	**801**	**618**	**786**	**795**	**647**	**444**	**816**	**925**	**454**	**672**	**1,009**	23.6	50.3
Growth yoy (%)	*63*	*65*	*21*	*(0)*	*(19)*	*(28)*	*4*	*16*	*(30)*	*51*	*24*		
Mixers/small appliances/Others	**854**	**1,073**	**1,132**	**1,631**	**1,859**	**1,415**	**1,360**	**1,969**	**1,741**	**1,666**	**1,298**	(4.6)	(22.1)
Growth yoy (%)	*(21)*	*8*	*4*	*34*	*118*	*32*	*20*	*21*	*(6)*	*18*	*(5)*		
Total	**3,618**	**3,252**	**3,145**	**4,183**	**4,041**	**3,130**	**3,401**	**4,744**	**3,784**	**4,145**	**4,758**	39.9	14.8
Growth yoy (%)	*11*	*17*	*6*	*10*	*12*	*(4)*	*8*	*13*	*(6)*	*32*	*40*		

Revenue Mix (%)	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Pressure Cookers	23	26	21	22	20	20	20	21	23	22	19
Induction Cooktops	18	13	8	12	12	12	9	11	12	15	27
Gas Cooktops	9	7	7	8	6	8	7	8	7	6	5
Non-stick Cookware	22	19	25	19	16	14	24	20	12	16	21
Small Domestic Appliances	24	33	36	39	46	45	40	42	46	40	27
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Company, Emkay Research

Exhibit 6: 1QFY27 revenue growth was stellar (~41% yoy) with a strong print margin of ~10.2% (100bps qoq expansion) mainly due to gross margin expansion

Rs mn	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Revenue	**3,616**	**3,252**	**3,145**	**4,183**	**4,041**	**3,130**	**3,401**	**4,744**	**3,784**	**4,145**	**4,806**	**41.3**	**15.9**
Growth yoy (%)	*11.4*	*17.0*	*5.6*	*10.1*	*11.7*	*(3.8)*	*8.2*	*13.4*	*(6.4)*	*32.4*	*41.3*		
Expenditure	**3,303**	**2,957**	**2,820**	**3,680**	**3,629**	**2,827**	**3,037**	**4,172**	**3,426**	**3,764**	**4,317**	42.2	14.7
as % of sales	*91.3*	*90.9*	*89.7*	*88.0*	*89.8*	*90.3*	*89.3*	*87.9*	*90.5*	*90.8*	*89.8*		
Consumption of RM	2,224	2,045	1,943	2,585	2,523	1,922	2,097	2,916	2,292	2,543	2,902	38.4	14.1
as % of sales	*61.5*	*62.9*	*61.8*	*61.8*	*62.4*	*61.4*	*61.7*	*61.5*	*60.6*	*61.4*	*60.4*		
Employee Cost	463	401	420	449	460	390	442	479	468	496	559	26.5	12.9
as % of sales	*12.8*	*12.3*	*13.3*	*10.7*	*11.4*	*12.5*	*13.0*	*10.1*	*12.4*	*12.0*	*11.6*		
Other expenditure	616	511	458	646	645	514	497	776	667	726	856	72.2	17.9
as % of sales	*17.0*	*15.7*	*14.6*	*15.4*	*16.0*	*16.4*	*14.6*	*16.4*	*17.6*	*17.5*	*17.8*		
EBITDA	**313**	**295**	**324**	**503**	**412**	**303**	**364**	**572**	**358**	**381**	**489**	**34.1**	**28.3**
EBITDA margin (%)	***8.7***	***9.1***	***10.3***	***12.0***	***10.2***	***9.7***	***10.7***	***12.1***	***9.5***	***9.2***	***10.2***		
Growth yoy (%)	*18.5*	*298.8*	*20.2*	*24.2*	*31.5*	*2.7*	*12.4*	*13.7*	*-13.1*	*25.7*	*34.1*		
Depreciation	141	193	158	187	188	215	179	210	224	196	184	2.4	(6.5)
EBIT	**172**	**102**	**166**	**316**	**224**	**88**	**185**	**362**	**134**	**184**	**305**	**64.7**	**65.4**
Other Income	(14)	(5)	10	(19)	(1)	13	21	(29)	(19)	(57)	(4)	(120.8)	(92.4)
Interest	59	75	67	79	74	90	73	62	61	77	76	**4.8**	**(1.4)**
PBT	**99**	**22**	**109**	**219**	**149**	**11**	**133**	**272**	**54**	**51**	**225**	68.5	342.8
Total Tax	32	(4)	27	51	28	(4)	29	58	13	(10)	54	**86.3**	**(656.1)**
Adjusted PAT	**68**	**27**	**82**	**167**	**121**	**14**	**104**	**214**	**41**	**61**	**171**	63.5	181.9
Growth yoy (%)	*-13.3*	*-144.3*	*0.0*	*1.2*	*79.7*	*-45.5*	*27.2*	*27.8*	*-65.8*	*317.9*	*63.5*		
Extra ordinary items	-	-	-	-	-	-	-	-	-	-	-		
Reported PAT	**68**	**27**	**82**	**167**	**121**	**14**	**104**	**214**	**41**	**61**	**171**	63.5	181.9
Adjusted EPS (Rs)	**2.0**	**0.8**	**2.5**	**5.1**	**3.7**	**0.4**	**3.2**	**6.5**	**1.3**	**1.8**	**5.2**	**63.5**	**181.9**

(%)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	Q1FY27	yoy bps	qoq bps
EBITDAM	8.7	9.1	10.3	12.0	10.2	9.7	10.7	12.1	9.5	9.2	10.2	(55)	98
EBITM	4.8	3.1	5.3	7.6	5.5	2.8	5.4	7.6	3.5	4.4	6.3	90	190
EBTM	2.7	0.7	3.5	5.2	3.7	0.3	3.9	5.7	1.4	1.2	4.7	75	345
PATM	1.9	0.8	2.6	4.0	3.0	0.5	3.1	4.5	1.1	1.5	3.5	48	209
Effective Tax rate	31.9	(19.1)	24.9	23.5	18.7	(33.1)	21.8	21.3	23.4	(19.2)	24.1	231	4,333

Source: Company, Emkay Research

Exhibit 7: We build in FY26-29E revenue/EBITDA/EPS CAGR of ~17/22/45%

Standalone (Rs mn)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY26-29E CAGR
i) Small Domestic Appliances	**3,954**	**4,229**	**6,234**	**6,736**	**7,348**	**8,353**	**9,798**	**13%**
% of Revenue	31	31	43	42	38	37	38	
Growth yoy (%)	15.2	7.0	47.4	8.1	9.1	13.7	17.3	
ii) Pressure Cooker	**3,017**	**3,138**	**3,045**	**3,435**	**4,009**	**4,395**	**4,818**	**12%**
% of Revenue	23.5	23.0	21.0	21.4	20.6	19.6	18.6	
Growth yoy (%)	10.6	4.0	(3.0)	12.8	16.7	9.6	9.6	
iii) Non-stick Cookware	**2,298**	**2,865**	**2,610**	**2,867**	**3,534**	**4,432**	**5,460**	**38%**
% of Revenue	18	21	18	18	18	20	21	
Growth yoy (%)	19.7	24.7	(8.9)	9.9	23.3	25.4	23.2	
-- Domestic	**1,014**	**1,265**	**1,045**	**1,159**	**1,315**	**1,546**	**1,998**	**20%**
% of Revenue	8	9	7	7	7	7	8	
Growth yoy (%)	*2.4*	*24.7*	*(17.4)*	*10.9*	*13.4*	*17.6*	*29.2*	
-- Exports	**1,284**	**1,600**	**1,564**	**1,707**	**2,220**	**2,886**	**3,463**	**27%**
% of Revenue	10.0	12	11	11	11	13	13	
Growth yoy (%)	*38.0*	*24.6*	*(2.2)*	*9.1*	*30.0*	*30.0*	*20.0*	
iv) Induction Cooktops	**1,605**	**1,774**	**1,595**	**1,888**	**3,387**	**4,090**	**4,626**	**35%**
% of Revenue	12	13	11	12	17	18	18	
Growth yoy (%)	21.7	10.5	(10.1)	18.4	79.4	20.8	13.1	
v) Gas Cooktops	**1,181**	**1,091**	**1,015**	**1,148**	**1,152**	**1,175**	**1,201**	**2%**
% of Revenue	9	8	7	7	6	5	5	
Growth yoy (%)	(0.1)	(7.6)	(7.0)	13.1	0.4	2.0	2.2	
Total Revenue	**12,839**	**13,643**	**14,498**	**16,074**	**19,430**	**22,445**	**25,903**	**17%**
Growth yoy (%)	13.0	6.3	6.3	10.9	20.9	15.5	15.4	
Gross profit	4,204	5,039	5,524	6,225	7,636	8,798	10,102	
Gross margin (%)	32.7	36.9	38.1	38.7	39.3	39.2	39.0	
EBITDA	**1,033**	**1,283**	**1,542**	**1,675**	**2,098**	**2,604**	**3,031**	**22%**
EBITDA margin (%)	**8.0**	**9.4**	**10.6**	**10.4**	**10.8**	**11.6**	**11.7**	
Depreciation	359	588	748	809	932	1,007	1,057	
ROU (Retail stores)	18	97	195	102	176	196	199	
Other assets	342	491	554	707	757	812	859	
EBIT	**673**	**695**	**794**	**866**	**1,166**	**1,596**	**1,973**	**32%**
EBIT margin (%)	**5.2**	**5.1**	**5.5**	**5.4**	**6.0**	**7.1**	**7.6**	
Other Income	(35)	1	4	(84)	4	4	4	
Interest	165	240	310	272	278	244	301	
Lease Liability (Retail stores)	11	58	113	163	255	211	205	
Other liabilities	155	183	197	109	23	33	97	
PBT	**473**	**455**	**488**	**510**	**892**	**1,356**	**1,676**	**49%**
Tax rate (%)	24	25	21	18	24	24	24	
PAT	**358**	**341**	**385**	**420**	**678**	**1,031**	**1,273**	**45%**
PAT margin (%)	**2.8**	**2.5**	**2.7**	**2.6**	**3.5**	**4.6**	**4.9**	
EPS (Rs)	**10.8**	**10.3**	**11.6**	**12.7**	**20.5**	**31.1**	**38.5**	**45%**
PER (x)	**69.8**	**73.3**	**64.9**	**59.5**	**36.9**	**24.3**	**19.7**	
EV/EBITDA	**25.6**	**21.4**	**18.4**	**15.1**	**12.3**	**9.6**	**7.9**	

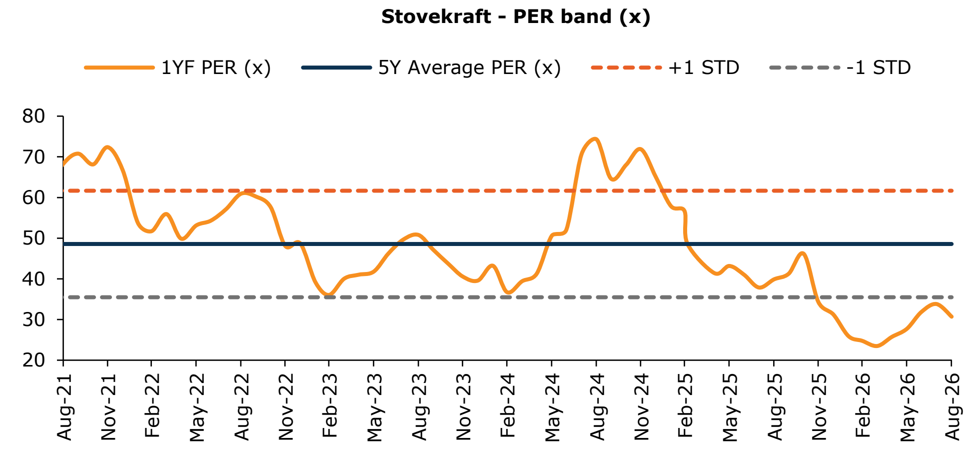
Source: Company, Emkay Research

Exhibit 8: The ~9/5% upgrade in FY27/28 our EPS estimates is largely driven by a slightly better topline/EBITDAM improvement flow-through to PAT

	FY26		FY27E				FY28E				FY29E	
(Rs mn)	**Actuals**	**% yoy**	**Earlier**	**Revised**	**% change**	**% yoy**	**Earlier**	**Revised**	**% change**	**% yoy**	**Introduced**	**% yoy**
Revenue	**16,074**	***10.9***	**19,039**	**19,430**	***2.1***	***20.9***	**22,270**	**22,445**	***0.8***	***15.5***	**25,903**	***15.4***
EBITDA	**1,675**	***8.6***	**2,003**	**2,098**	***4.8***	***25.3***	**2,565**	**2,604**	***1.5***	***24.1***	**3,031**	***16.4***
EBITDAM (%)	*10.4*	*(2) bps*	*10.5*	*10.8*	*28 bps*	*38 bps*	*11.5*	*11.6*	*8 bps*	*80 bps*	*11.7*	*10 bps*
Depreciation	809	*8.2*	1,009	932	*-7.6*	*15.2*	1,064	1,007	*-5.4*	*8.0*	1,057	*5.0*
Interest	272	*-12.3*	200	278	*38.9*	*2.0*	245	244	*-0.5*	*-12.3*	301	*23.7*
Other Income	-84	*-2,242.5*	3.6	3.6	*0.0*	*-104.3*	4	4	*0.0*	*0.0*	4	*0.0*
Tax Rate (%)	*18*	*-16.3*	*22*	*24*	*9.1*	*36.1*	*22*	*24*	*9.1*	*0.0*	*24*	*0.0*
PAT	**420**	***9.1***	**622**	**678**	***9.0***	***61.4***	**982**	**1,031**	***4.9***	***52.1***	**1,273**	***23.6***
EPS (Rs)	12.7	*9.1*	18.8	20.5	*9.0*	*61.4*	29.7	31.1	*4.9*	*51.8*	38.5	*23.6*

Source: Company, Emkay Research

Exhibit 9: Stovekraft trades below 1SD on 1YF PER basis



Source: Company, Emkay Research

Stovekraft: Standalone Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**14,498**	**16,074**	**19,430**	**22,445**	**25,903**
Revenue growth (%)	6.3	10.9	20.9	15.5	15.4
EBITDA	**1,542**	**1,675**	**2,098**	**2,604**	**3,031**
EBITDA growth (%)	20.2	8.6	25.3	24.1	16.4
Depreciation & Amortization	554	707	757	812	859
EBIT	**794**	**866**	**1,166**	**1,596**	**1,973**
EBIT growth (%)	14.3	9.0	34.7	36.9	23.6
Other operating income	-	-	-	-	-
Other income	4	(84)	4	4	4
Financial expense	310	272	278	244	301
PBT	**488**	**510**	**892**	**1,356**	**1,676**
Extraordinary items	0	0	0	0	0
Taxes	103	90	214	325	402
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	**385**	**420**	**678**	**1,031**	**1,273**
PAT growth (%)	12.9	9.1	61.4	52.1	23.6
Adjusted PAT	**385**	**420**	**678**	**1,031**	**1,273**
Diluted EPS (Rs)	**11.6**	**12.7**	**20.5**	**31.1**	**38.5**
Diluted EPS growth (%)	12.9	9.1	61.4	51.8	23.6
DPS (Rs)	**2.5**	**3.0**	**3.5**	**3.5**	**3.7**
Dividend payout (%)	**21.5**	**23.6**	**17.1**	**11.2**	**9.6**
EBITDA margin (%)	10.6	10.4	10.8	11.6	11.7
EBIT margin (%)	5.5	5.4	6.0	7.1	7.6
Effective tax rate (%)	21.1	17.6	24.0	24.0	24.0
NOPLAT (pre-IndAS)	**627**	**713**	**886**	**1,213**	**1,500**
Shares outstanding (mn)	33	33	33	33	33

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	331	331	331	331	331
Reserves & Surplus	4,378	4,711	5,273	6,188	7,340
Net worth	**4,708**	**5,042**	**5,604**	**6,519**	**7,671**
Minority interests	0	0	0	0	0
Non-current liab. & prov.	(32)	(58)	(58)	(58)	(58)
Total debt	**1,795**	**24**	**210**	**224**	**259**
Total liabilities & equity	**8,320**	**6,227**	**7,368**	**8,385**	**9,683**
Net tangible fixed assets	4,585	5,190	5,018	4,706	4,347
Net intangible assets	90	16	16	16	16
Net ROU assets	1,597	624	888	858	836
Capital WIP	226	148	64	64	64
Goodwill	0	0	0	0	0
Investments [JV/Associates]	0	0	0	0	0
Cash & equivalents	**95**	**304**	**248**	**1,122**	**2,197**
Current assets (ex-cash)	5,096	5,096	6,488	7,740	9,217
Current Liab. & Prov.	3,687	5,457	5,721	6,547	7,485
NWC (ex-cash)	**1,408**	**(361)**	**767**	**1,193**	**1,732**
Total assets	**8,320**	**6,227**	**7,369**	**8,385**	**9,683**
Net debt	1,700	(280)	(38)	(898)	(1,938)
Capital employed	8,320	6,227	7,368	8,385	9,683
Invested capital	**6,083**	**4,845**	**5,800**	**5,915**	**6,095**
BVPS (Rs)	142.5	152.6	169.6	196.9	231.7
Net Debt/Equity (x)	0.4	(0.1)	-	(0.1)	(0.3)
Net Debt/EBITDA (x)	1.1	(0.2)	-	(0.3)	(0.6)
Interest coverage (x)	2.2	2.3	3.3	5.7	5.9
RoCE (%)	**12.9**	**13.5**	**21.5**	**25.5**	**26.9**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	488	510	892	1,356	1,676
Others (non-cash items)	-	-	-	-	-
Taxes paid	(124)	(129)	(214)	(325)	(402)
Change in NWC	(125)	1,070	(1,061)	(367)	(470)
Operating cash flow	**1,299**	**2,577**	**827**	**1,915**	**2,162**
Capital expenditure	(811)	(1,081)	(500)	(500)	(500)
Acquisition of business	0	0	0	0	0
Interest & dividend income	17	(13)	0	0	0
Investing cash flow	**(811)**	**(1,081)**	**(500)**	**(500)**	**(500)**
Equity raised/(repaid)	12	15	0	0	0
Debt raised/(repaid)	(43)	(1,457)	186	14	35
Payment of lease liabilities	(245)	500	(176)	(196)	(199)
Interest paid	(189)	(251)	(278)	(244)	(301)
Dividend paid (incl tax)	(83)	(99)	(116)	(116)	(122)
Others	-	-	-	-	-
Financing cash flow	**(548)**	**(1,291)**	**(383)**	**(541)**	**(587)**
Net chg in Cash	(60)	206	(57)	874	1,075
OCF	1,299	2,577	827	1,915	2,162
Adj. OCF (w/o NWC chg.)	1,424	1,508	1,888	2,282	2,632
FCFF	488	1,497	327	1,415	1,662
FCFE	308	1,374	303	1,382	1,565
OCF/EBITDA (%)	84.2	153.8	39.4	73.5	71.3
FCFE/PAT (%)	79.9	327.3	44.8	134.1	122.9
FCFF/NOPLAT (%)	**77.8**	**209.8**	**36.9**	**116.6**	**110.8**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	64.9	59.5	36.9	24.3	19.7
EV/CE(x)	4.1	4.9	4.3	3.6	2.9
P/B (x)	5.3	5.0	4.5	3.8	3.3
EV/Sales (x)	1.8	1.5	1.3	1.1	0.9
EV/EBITDA (x)	17.3	14.7	11.9	9.3	7.6
EV/EBIT(x)	33.6	28.5	21.4	15.1	11.7
EV/IC (x)	4.4	5.1	4.3	4.1	3.8
FCFF yield (%)	1.8	6.1	1.3	5.9	7.2
FCFE yield (%)	1.2	5.5	1.2	5.5	6.3
Dividend yield (%)	0.3	0.4	0.5	0.5	0.5
DuPont-RoE split					
Net profit margin (%)	2.7	2.6	3.5	4.6	4.9
Total asset turnover (x)	2.3	2.6	3.2	3.2	3.2
Assets/Equity (x)	1.4	1.3	1.1	1.2	1.2
RoE (%)	**8.5**	**8.6**	**12.7**	**17.0**	**17.9**
DuPont-RoIC					
NOPLAT margin (%)	4.3	4.4	4.6	5.4	5.8
IC turnover (x)	2.6	2.9	3.7	3.8	4.3
RoIC (%)	**11.3**	**13.1**	**16.7**	**20.7**	**25.0**
Operating metrics					
Core NWC days	35.5	(8.2)	14.4	19.4	24.4
Total NWC days	**35.5**	**(8.2)**	**14.4**	**19.4**	**24.4**
Fixed asset turnover	2.4	2.1	2.3	2.4	2.6
Opex-to-revenue (%)	27.5	28.3	28.5	27.6	27.3

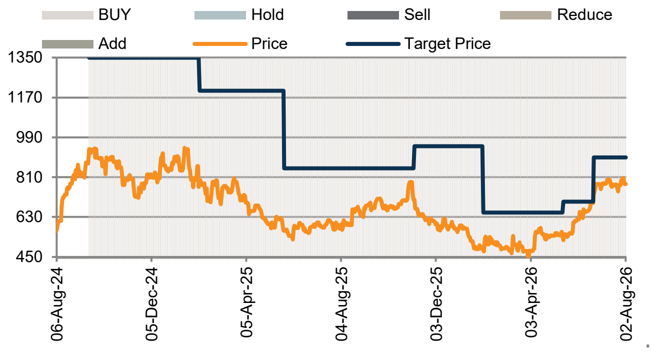
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
22-Jun-26	733	900	Buy	Chirag Jain
14-May-26	526	700	Buy	Chirag Jain
01-Feb-26	478	650	Buy	Chirag Jain
05-Nov-25	709	950	Buy	Chirag Jain
06-Aug-25	584	850	Buy	Chirag Jain
23-May-25	568	850	Buy	Chirag Jain
04-Feb-25	794	1,200	Buy	Chirag Jain
19-Nov-24	764	1,350	Buy	Chirag Jain
30-Oct-24	774	1,350	Buy	Chirag Jain
16-Sep-24	937	1,350	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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REDUCE	5% upside to 15% downside
SELL	>15% downside

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